



OFFICE OF
INSURANCE COMMISSIONER

In the Matter of)	No. G07-8
)	
The Financial Examination of)	FINDINGS, CONCLUSIONS,
UNIVERSITY OF PUGET SOUND)	AND ORDER ADOPTING REPORT
)	OF
)	FINANCIAL EXAMINATION

A Domestic Charitable Gift Annuity Issuer. _____

BACKGROUND

An examination of the financial condition of the **UNIVERSITY OF PUGET SOUND** (the University) as of June 30, 2003, was conducted by examiners of the Washington State Office of the Insurance Commissioner (OIC). The University holds a Washington certificate of exemption to issue charitable gift annuities. This examination was conducted in compliance with the laws and regulations of the state of Washington and in accordance with the procedures promulgated by the National Association of Insurance Commissioners and the OIC.

The examination report with the findings and instructions was transmitted to the University for its comments on November 1, 2006. The University's response to the report is attached to this order only for the purpose of providing convenient review of the response.

The Commissioner or a designee has considered the report, the relevant portions of the examiners' work papers, and submissions by the University.

FINDINGS

Findings in Examination Report. The Commissioner adopts as findings the findings of the examiners as contained in pages 1 through 6 of the report.

CONCLUSIONS

It is appropriate and in accordance with law to adopt the attached examination report as the final report of the financial examination of the University and to order the University

to take the actions described in the Instructions and Comments and Recommendations sections of the report. The Commissioner acknowledges that the University may have implemented the Instructions and Comments and Recommendations prior to the date of this order. The Instructions and Comments and Recommendations in the report are an appropriate response to the matters found in the examination.

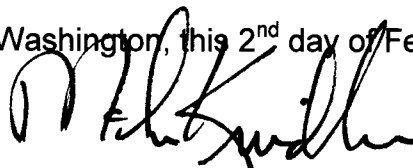
ORDER

The examination report as filed, attached hereto as Exhibit A, and incorporated by reference, is hereby ADOPTED as the final examination report.

1. Pursuant to RCW 48.38.010, the University is ordered to develop and implement a system for the accounting and reporting of its charitable gift annuity business to ensure compliance with the principles or practices prescribed or permitted by Chapter 48.38 RCW. Examination Report, Instruction 1, page 2.
2. It is ordered that the University consider obtaining and retaining, in the annuitant's file, a certified copy of the death certificate to document an annuitant's death. Examination Report, Comments and Recommendations 1, page 2.

IT IS FURTHER ORDERED THAT, the University file with the Chief Examiner, within 90 days of the date of this order, a detailed report specifying how THE UNIVERSITY has addressed each of the requirements of this order.

ENTERED at Olympia, Washington, this 2nd day of February, 2007.



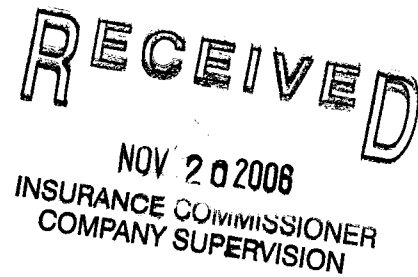
MIKE KREIDLER
Insurance Commissioner

UNIVERSITY of PUGET SOUND

Est. 1888

November 17, 2006

James T. Odiorne, CPA, JD
Deputy Insurance Commissioner
Company Supervision Division
Office of the Insurance Commissioner
P.O. Box 40255
Olympia, Washington 98504-0255



Dear Mr. Odiorne:

I write in response to your letter dated November 1, 2006, to provide corrections and University of Puget Sound's response to the financial examination report for the university's charitable gift annuity program.

Examiner Orlando Gabriel and Assistant Chief Examiner Mike Jordan provided me with an opportunity to review the draft report, however I failed to identify the following edits to the board of trustees and officer lists on pages 3 and 4 of the examination report:

1. Understanding that the listings should be as of December 31, 2003, the names Terry L. Lengfelder and George E. Matelich should be removed from the list as they were not trustees at December 31, 2003.
2. The trustee and non trustee officers as of December 31, 2003, were as follows:

Trustee Officers:

Deanna W. Oppenheimer, Chair and Chair, Executive Committee
Ronald R. Thomas, President
Peter K. Wallerich, Treasurer

Non Trustee Officers:

Terry A. Cooney, Academic Vice President and Dean of the University
Kristine M. Bartanen, Vice President for Student Affairs and Dean of Students
Karen L. Goldstein, Vice President for Finance and Administration
George H. Mills, Jr., Vice President for Enrollment
Michael Oman, Vice President for University Relations
Sherry B. Mondou, Associate Vice President for Finance and Controller
Jeffrey S. Johnson, Assistant to the President and Secretary of the Corporation

University of Puget Sound respectfully requests that its responses be included in the financial examination report. Please include the following response to the reporting requirement exception described on pages 1 and 2 of the examination report:

James T. Odiorne, CPA, JD
Deputy Insurance Commissioner
Office of the Insurance Commissioner
November 17, 2006
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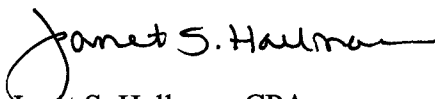
University of Puget Sound acknowledges that in the past it reported more information than was required by law. The university now only includes in its Annual Reports filed with the Washington Office of the Insurance Commissioner those charitable gift annuity contracts issued to residents of the state of Washington.

Please include the following response to the recommendation on page 2 of the examination report:

The university understands that obtaining certified copies of death certificates to document the passing of annuitants is not required by law, but is considered a best practice recommended by the Office of the Insurance Commissioner. The university now obtains certified copies of death certificates for deceased annuitants.

Thank you for the opportunity to provide these corrections and response. Please do let me know if you have questions or need additional information.

Sincerely,

A handwritten signature in black ink that reads "Janet S. Hallman". The signature is written in a cursive style with a large, looped initial "J".

Janet S. Hallman, CPA
Associate Vice President for Accounting and Budget Services and Controller